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Information on United Nations system technical cooperation expenditures, 2003*

Summary

The present report contains a summary of the technical cooperation expenditure of the United Nations system as a whole. It also provides an analysis of technical cooperation provided by the UNDP, UNFPA, the United Nations Children's Fund, the World Food Programme and other funds, programmes and specialized agencies.

For the purpose of the report, technical cooperation assistance is the summation of field programme expenditure, net of support and administrative costs. World Bank/International Development Association (IDA) is excluded from this traditional view of technical cooperation, aimed essentially at expanding the 'software' aspects of development. The World Bank/IDA does, however, offer a similar category of assistance specifically to backstop its large-scale programmes and projects.

A complete account of expenditure on development activities undertaken by the entire United Nations system can be found in the annual report of the Secretary-General on development activities for 2002 (A/59/84 and E/2004/53). The analysis provided in the present report is based on the data presented at the end of the report and on the addendum (DP/2004/37/Add.1).

The Executive Board may wish to take note of the present report.

* The collection of data required to present the Executive Board with the most current information has delayed submission of the present document.

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I. Highlights

1. For the first time, the United Nations system (excluding the World Bank Group), has reached an unprecedented $9.7 billion mark in technical cooperation to the developing world. This is the highest level of expenditure in the last decade, double the expenditure witnessed in 1993 ($4.8 billion), and an increase of 31.7 per cent over 2002 ($7.3 billion). These record high levels can be attributed, among other factors, to the response to the humanitarian crisis in Iraq in 2003, which led to a corresponding level of delivery by key United Nations players, shifting regional highs and peaking the expenditure figures in the region. Among these players, the World Food Programme (WFP) has more than doubled its expenditure from $1.6 billion in 2002 to $3.3 billion in 2003. Nearly one third of this total was expended in Iraq alone ($1.09 billion). Other funds, programmes, specialized agencies, the United Nations Children's Fund (UNICEF) and UNDP had increases of 11.5 per cent (from $2.25 billion in 2002 to $2.51 billion in 2003), 10.2 per cent (from $2.32 billion in 2002 to $2.55 billion in 2003), and 15.7 per cent (from $1.04 billion in 2002 to $1.20 billion in 2003), respectively. UNFPA saw a decline in programme expenditure from $312.5 million in 2002 to $272.9 million in 2003 – a 12.7 per cent decrease. It should be noted that the growth rate of WFP, combined with the consistent levels of growth by the majority of the agencies, resulted in the 2003 high expenditure level (see figures 1 and 2).

2. World Bank/IDA assistance to the developing world amounted to $374.5 million in 2003. For justified reasons, no data were received from the World Bank in the last two years, thus the overall analysis will be based on prior years data, from 1997-2000. Since 1998, the World Bank/IDA no longer specifically records expenditures for technical cooperation activities. Summary data submitted represent a combination of loans and grants related to assistance preceding, or combined with, large-scale programmes and projects. Compared to 2000, 2003 assistance dropped from $681.1 million to $374.5 million. Its delivery figures when combined with those of the rest of the United Nations system reaches the $10 billion mark.

3. There was minimal change in the geographic pattern of United Nations system-wide cooperation with the regions of the world (see figures 3 and 4) in the last three years. Once again, Africa was the largest recipient of development assistance with a 35 per cent increase ($2.7 billion from $2.0 billion) compared to 2002. The Arab States region received $2.6 billion (a 114 per cent increase from $1.2 billion in 2002). As mentioned earlier, the humanitarian crisis in Iraq led to an unprecedented level of support from the United Nations organizations worldwide. Of the amount expended in Iraq ($1.5 billion), WFP had the largest share of expenditure at 72 per cent, and notably in Africa and the Arab States (50 per cent and 51.5 per cent, respectively). Overall, WFP was the largest contributor in 2003 with a 33.9 per cent share ($3.3 billion) in the entire pool of regional expenditure. Other funds, programmes and specialized agencies had a 26.0 per cent share at $2.5 billion while UNDP had a 24.8 per cent share ($2.4 billion), UNICEF 12.5 per cent ($1.2 billion) and UNFPA $2.8 per cent ($273 million).

Figure 1. United Nations system overall technical cooperation expenditure, 1999 - 2003
(millions of United States dollars)

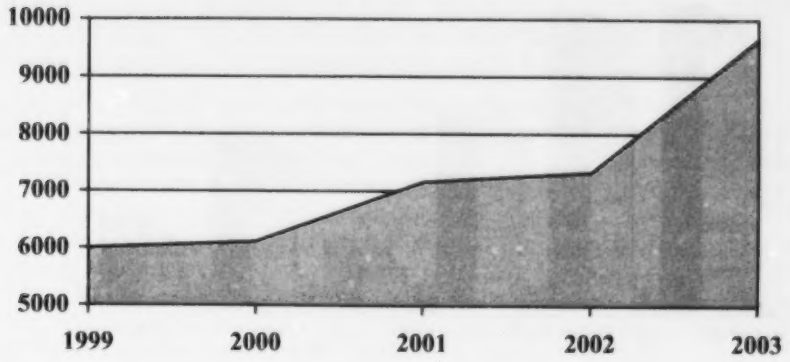


Figure 2. United Nations system technical cooperation expenditure, 1999-2003: by organization
(millions of United States dollars)

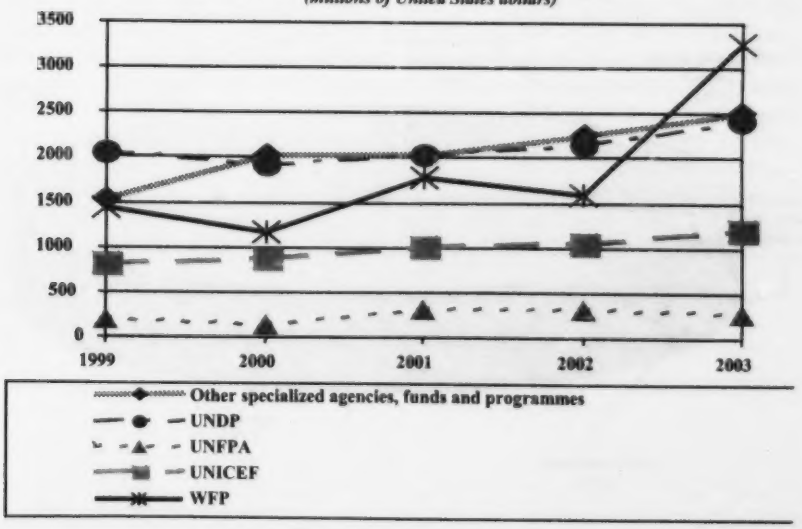


Figure 3. United Nations system technical cooperation, 2003: geographic breakdown

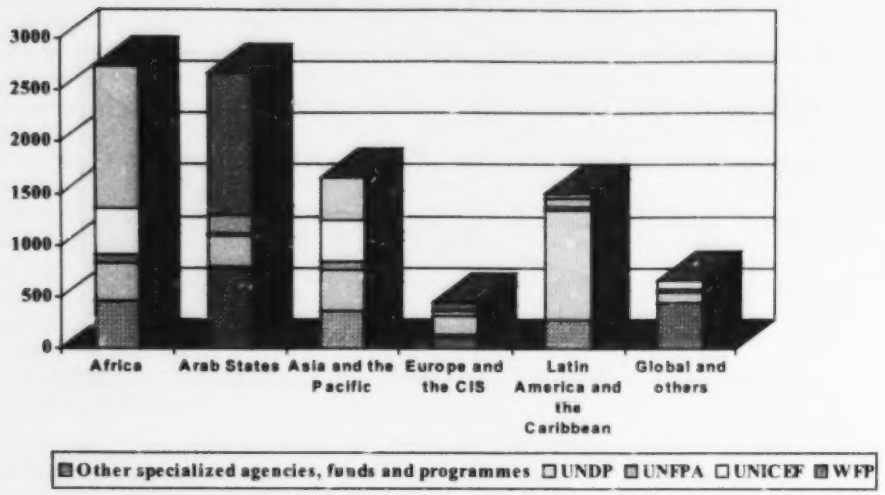
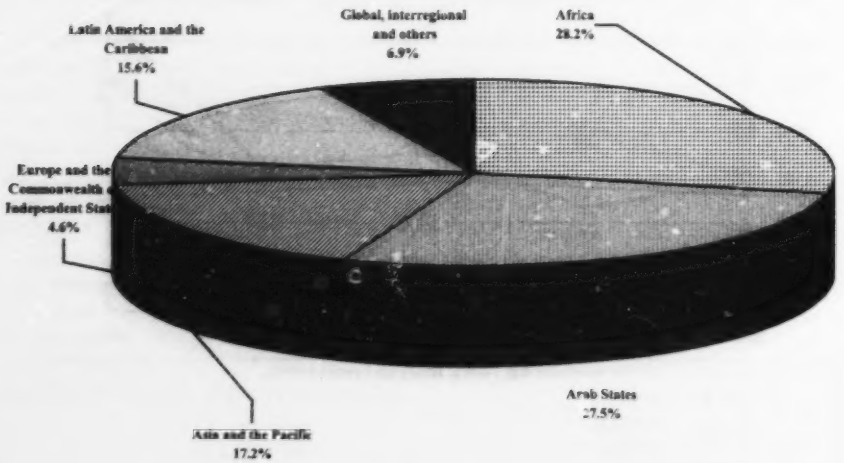


Figure 4. United Nations system technical cooperation, 2003: by region ($9.7 billion)



4. Four countries were recipients of one quarter of total United Nations system expenditures in 2003: Iraq ($1.5 billion), Afghanistan ($359 million), Ethiopia ($323 million) and Brazil ($258 million). This year 21 countries (15 countries in 2002), received over $100 million in total United Nations system technical cooperation, accounting for $4.9 billion, or 51 per cent of the total $9.7 billion. The highest percentage of support from WFP was channelled to Afghanistan, Angola, Democratic People's Republic of Korea, Ethiopia, Iraq, Sudan and Zimbabwe. UNDP supported activities in Argentina, Brazil, Colombia, Iraq and Panama. Latin American countries channelled significant amounts of local resources. UNICEF gave strong support to India ($96 million) and Iraq ($93 million). Figures 5 and 6 illustrate the breakdown of technical assistance recipients accordingly.

5. Similar to the last two years, the sectors that had the highest percentage of United Nations technical cooperation expenditure in 2003 were humanitarian assistance – $2.9 billion, representing 30.4 per cent – and health – $1.7 billion, representing 17.7 per cent. There was a substantial increase in humanitarian assistance in 2003 ($2.9 billion from $1.5 billion in 2002) translating to a 97.6 per cent increase. WFP expenditure in humanitarian assistance-related activities was the highest at 80.3 per cent of $2.9 billion while the other funds, programmes and specialized agencies had the largest share of expenditure in the health sector (51 per cent of the total $1.7 billion), in particular through the World Health Organization (WHO) ($839 million) and UNICEF ($483.7 million). UNFPA totalled $273 million in 2003.

II. Analysis of technical cooperation

A. Other funds, programmes and specialized agencies

6. For the first time in three years, other funds, programmes and specialized agencies had the second largest percentage of United Nations system-wide expenditure at 26 per cent, with WFP at 33.9 per cent and UNDP at 24.8 per cent. Similar to 2001 and 2002, WHO delivered approximately one third, or $839 million of technical cooperation for both regular and extrabudgetary resources. Following the WHO, in terms of percentage distribution, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) delivered 17.1 per cent or $430 million of expenditures, followed by the Food and Agriculture Organization of the United Nations (FAO) at 14.8 per cent or $370 million. The United Nations Educational, Scientific and Cultural Organization (UNESCO) had 10.8 per cent or $272 million, while the International Labour Organization (ILO) had 5.2 per cent or $130 million. These five organizations channelled over 80 per cent, or nearly $2.0 billion, of total expenditures amounting to $2.5 billion.

Figure 5. Top 15 recipients of United Nations system technical assistance, 2003

(millions of United States dollars)

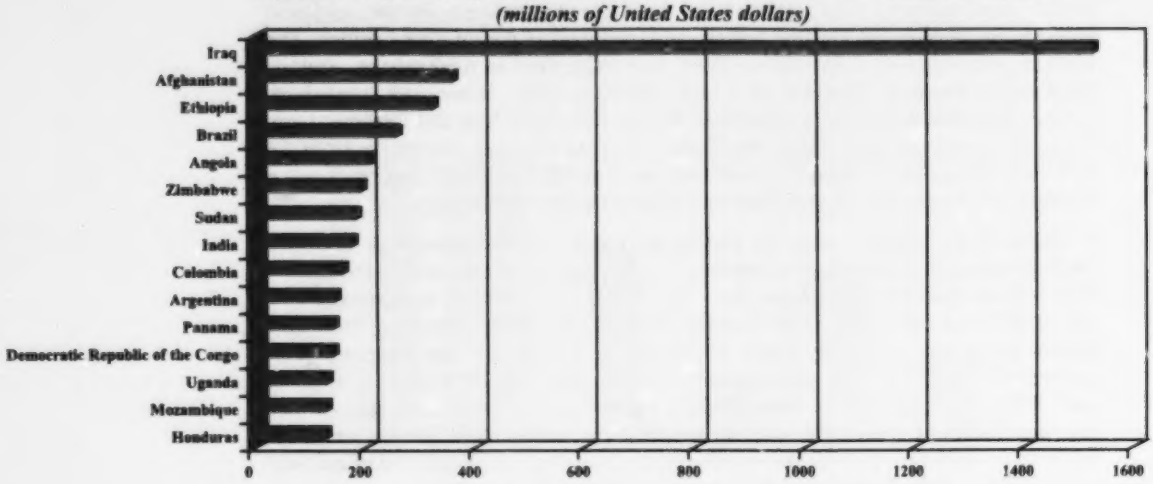
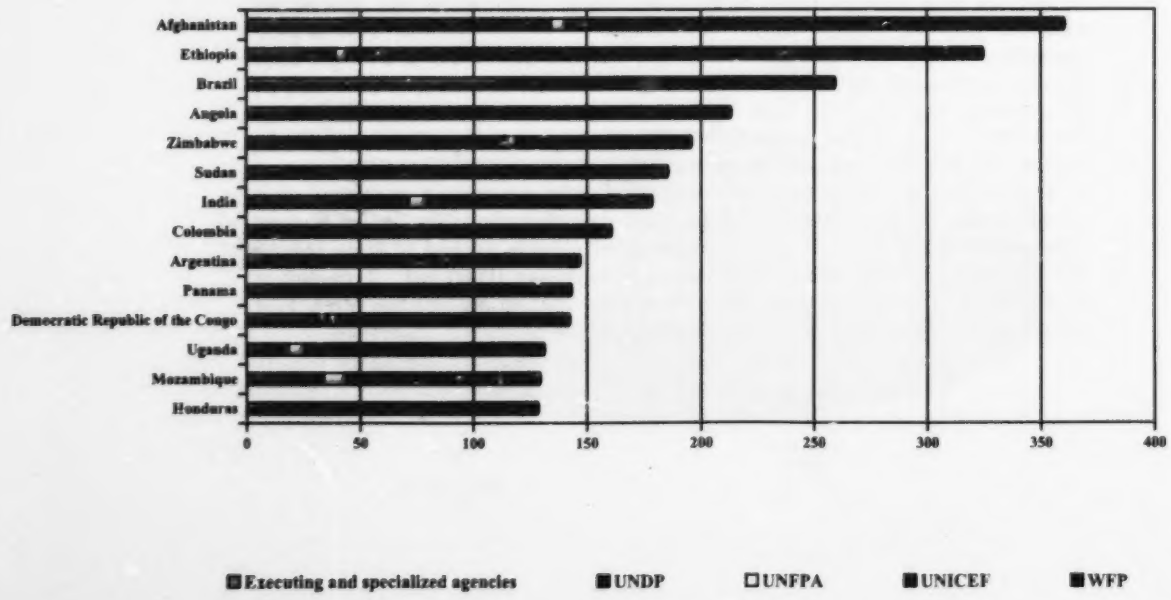


Figure 6. Top 15 recipients (excluding Iraq) of United Nations system technical assistance, 2003

(millions of United States dollars)



7. With regard to regular budgets, the United Nations Industrial Development Organization (UNIDO) had an increase in delivery of 317 per cent of technical cooperation activities against its assessed contributions in 2003, from $2.35 million in 2002 to $9.8 million in 2003. In terms of extrabudgetary expenditure, the International Civil Aviation Organization (ICAO) had a 140.8 per cent growth from $37.9 million in 2002 to 91.3 million in 2003. Overall United Nations expenditure delivery was over $9 billion for the first time.

8. The data on sectoral distribution indicate that for three consecutive years, health, humanitarian assistance and agriculture/forestry/fisheries was 67.4 per cent of the total for other funds, programmes and specialized agencies development cooperation ($2.5 billion). The following sectors reported expansion in technical cooperation in 2003: education (10.6 per cent), and trade and development (72.8 per cent). Transport showed an increase of 100 per cent, $53.9 million in 2002 to 108.5 million in 2003, while the population sector rose by 111.3 per cent, from $0.3 million in 2002 to $0.6 million in 2003.

9. For the sixth year, Iraq and Brazil continued to receive the highest proportion of resources delivered by the group of other funds, programmes and specialized agencies. Iraq in 2003 received $200.7 million, while Brazil absorbed $110.3 million. Eight other countries were recipients of over $20 million in agency expenditures: India ($43.7 million), Afghanistan ($43.3 million), Syrian Arab Republic ($40.7 million), Nigeria ($27.9 million), China ($24.4 million), Democratic Republic of the Congo ($23.6 million), Ethiopia ($22.3 million) and Angola ($20.0 million).

10. Total contributions to other funds, programmes and specialized agencies experienced an increase of 32 per cent in 2003, $2.6 billion as compared to $1.95 billion in 2002. Six organizations accounted for 75 per cent ($2.0 billion): WHO ($706 million), FAO ($436 million), UNRWA ($428 million), UNESCO ($218 million), ILO (145 million) and the United Nations Human Settlements Programme ($107 million). The top five donors were the United States ($279 million), United Kingdom ($196 million), Italy ($129 million), the Netherlands ($109 million) and Norway ($100 million), accounting for 58 per cent, or $813 million, of the total contributions of member states to agency activities in 2003 ($1.4 billion).

B. United Nations Development Programme

11. UNDP continued its upward trend started in 2001 with an increase of 10 per cent in 2003 ($2.55 billion from $2.32 billion in 2002). Regular resources grew by 11.5 per cent from $357 million in 2002 to $398 million in 2003. Furthermore, donor cost-sharing rose by 11.4 per cent, from $272 million in 2002 to $304 million in 2003, while UNDP administered funds and trust funds recorded a slight increase of 3 per cent from $656 million in 2002 to $674 million in 2003.

12. An overview by execution modality reveals that national execution continues to be the preferred modality in UNDP programmes. Direct execution had a 26.4 per cent growth, from $348 million in 2002 to $440 million in 2003. These two modalities delivered nearly $2.1 billion, approximately 84 per cent of all UNDP programme expenditure. The growth of direct execution has been mainly in crisis countries in 2003, which represents 70 per cent of the total direct execution delivery.

13. Voluntary contributions to UNDP regular resources recorded an increase of 15 per cent in 2003, from $670 million in 2002 to $770 million, the highest amount received in the last five years.

C. World Food Programme

14. This year WFP had the highest level of technical cooperation expenditure in the last decade, from $1.6 billion in 2002 to $3.3 billion in 2003. WFP expends most of its resources in the humanitarian assistance sector, in keeping with its mandate to assist victims of human-provoked and natural disasters. This year $2.36 billion were allocated to this sector, a rise of 143 per cent compared to $968 million in 2002. The major regions that benefited from WFP delivery were the Arab States and Africa, with Arab States taking the bulk share of expenditure for the first time. It should be noted again that owing to its emergence as a crisis country, Iraq was the main recipient of WFP assistance in 2003. Iraq received $1.09 billion, up from $31 million in 2002, and 33 per cent of total WFP technical cooperation expenditure in 2003. Six other countries received over $100 million of WFP support in 2003. Ethiopia ($230 million), Zimbabwe ($163 million), Angola ($149 million), Afghanistan ($141 million), Sudan ($136 million) and the Democratic People's Republic of Korea ($102 million).

15. Contributions made to WFP reached an all-time high, nearly $3.7 billion in 2003. Of this amount, 66.6 per cent or $2.5 billion represents voluntary contributions from Member States, an increase of 52.4 per cent from the $1.6 billion in 2002. The United States increased its contributions by 71 per cent, $954 million in 2002 to $1.6 billion in 2003. The United States accounted for 44 per cent of the WFP funding base in 2003. Other donors that contributed over $100 million to WFP in 2003 were the United Kingdom ($133.5 million), Japan ($131 million) and Canada ($101 million).

D. United Nations Children's Fund

16. UNICEF continued its expansion in the technical cooperation arena with an increase of 15.7 per cent in 2003, surpassing the $1.0 billion level for the third straight year. The bulk of this expenditure was channelled to health-related activities wherein $484 million or 40 per cent was expended. Two other sectors were the focus of UNICEF activities in 2003. General development issues, which received $272 million representing an increase of 28.6 per cent over its 2002 level of $211.3 million, and education which absorbed $152 million, or 12.6 per cent of expenditures for the year. Altogether, these three sectors attracted almost $908 million (75 per cent) of the total value of UNICEF assistance recorded in 2003 ($1.2 billion).

17. Since 1996, Africa and the Asia and Pacific regions have been the largest partners of UNICEF cooperation, and 2003 was no exception. Asia and the Pacific absorbed $392 million, or 32.5 per cent, while Africa absorbed $444 million, or 37 per cent, of total UNICEF expenditure in 2003. Both regions in total received nearly $837 million, or 67 per cent, of overall UNICEF assistance. Worth noting was the growing cooperation with the Arab States, from $75 million in 2002 to $178.7 million in 2003, a 138 per cent increase. Three countries that received over

$50 million of UNICEF assistance in 2003 were India ($96 million), Iraq ($93 million) and Afghanistan ($78 million).

18. Total contributions to UNICEF grew by 16.1 per cent, from $1.45 billion in 2002 to $1.7 billion in 2003. Of this increase, 65 per cent is derived from contributions made by Member States, which rose from $885 million in 2002 to $1.1 billion in 2003. The United States was the principal donor to UNICEF, and further increased its contribution by an additional 16.8 per cent, from $247 million in 2002 to $288 million in 2003. Within this overall increase, the United States covered 26.2 per cent of total contributions from all Member States. Four other donors contributed over $100 million: the United Kingdom ($130 million), Norway ($112 million), Sweden ($103 million) and Japan ($101 million).

E. United Nations Population Fund

19. UNFPA technical cooperation declined by 12.7 per cent from $312 million in 2002 to $273 million in 2003. In terms of execution modality, 54 per cent, or $149 million, of UNFPA projects and programmes were self-executed in 2003; hence, direct execution was the modality of choice. National execution ranked second, carrying out 28 per cent, or $78 million, of UNFPA activities in 2003. A view of the geographic distribution of UNFPA operations reveals that since 1996, except for 2001, UNFPA concentrated mainly in Africa and the Asia and Pacific regions. In 2003, Africa absorbed $93 million (34 per cent of overall expenditures) while Asia and the Pacific absorbed $83 million (30 per cent). All regions marked a decline in technical cooperation expenditure, most notably in the Latin America and Caribbean region, which witnessed a 33 per cent decline from $48 million in 2002 to $32 million in 2003.

20. UNFPA cooperation with Bangladesh in 2003 rose from $10 million in 2002 to $22 million in 2003, the highest level of assistance by UNFPA to any country in 2003. Guatemala marked a decline of 23 per cent from $13.5 million in 2002 to $10 million in 2003. Eleven other countries received over $4 million: Afghanistan, China, Ethiopia, India, Indonesia, Mozambique, Nigeria, Pakistan, United Republic of Tanzania and Viet Nam.

21. Contributions to UNFPA activities in 2003 increased by 7 per cent, from $353 million in 2002 to $378 million in 2003. This increase was primarily a result of a similar increase in voluntary contributions from Member States to UNFPA. Major donors for 2003 included the Netherlands ($70 million – 25 per cent increase from $56 million in 2002), Japan ($41 million – 2.5 per cent increase from $40 million in 2002), Norway ($39 million – 39 per cent increase from $28 million in 2002), and the United Kingdom ($38 million – 9 per cent increase from $35 million in 2002).

F. The World Bank/International Development Association

22. For justified reasons the World Bank did not provide data for 2001 and 2002, hence all analysis will be based on the period 1997-2000 and 2003. As previously mentioned, in lieu of specifically targeted expenditures for technical cooperation

activities, the World Bank uses a combination of loans and grants related to assistance preceding, or combined with, large-scale programmes and projects. Funding for these activities is often provided from: (a) learning and innovation loans (LILs), (b) technical assistance loans (TALs); (c) institutional development funds (IDF); and (d) development grant facility (DGF). Total expenditure for 2003 was derived from the first two sources – LILs and TALs. LILs expended $29.2 million while TALs expended $345.3 million, resulting in an overall total of $374.5 million. Of this figure, the World Bank covered assistance amounting to 41.7 per cent, or $156.1 million, while IDA covered 58.3 per cent, or $218.4 million. There was a 74 per cent drop in expenditure in 1998 (from $2.2 billion in 1997 to $560 million in 1998) followed by a 38 per cent recovery in 1999 to $772 million and a 12 per cent drop to $681 million in 2000. Compared to 2000, the 2003 assistance has dropped from $681.1 million to $374.5 million. (See table 23 of DP/2004/37/Add.1 for more data on the World Bank Group).

United Nations system: summary statistics on technical cooperation expenditure and contributions, 1999-2003

(thousands of United States dollars)

	1999		2000		2001		2002		2003	
A. Expenditure	**$M**	**% a/**	**$M**	**% a/**	**$M**	**% a/**	**$M**	**% a/**	**$M**	**% a/**
Specialized agencies, funds and programmes	1 525.3	5.6	2 022.9	32.6	2 036.7	0.7	2251.7	10.6	2510.3	11.5
Regular budgets	444.0	4.1	469.6	5.8	424.0	(9.7)	479.4	13.1	518.2	8.1
Extrabudgetary	1 081.3	6.3	1 553.3	43.7	1612.7	3.8	1772.4	9.9	1992.1	12.4
UNDP	2 044.1	(4.1)	1 917.7	(6.2)	2 026.6	5.7	2148.7	5.5	2411.2	12.3
Central	1 631.8	(7.5)	1 457.9	(10.7)	1 526.2	4.7	1492.9	(2.2)	1737.0	16.3
Regular (core)	512.4	(15.4)	404.3	(21.1)	353.5	(12.6)	356.7	0.9	397.9	11.5
Government cost-sharing and government cash counterpart contributions	942.3	(9.9)	870.9	(7.6)	970.3	11.4	863.4	(11.0)	1034.9	19.9
Third-party cost-sharing	177.1	58.4	182.7	3.2	202.4	10.8	272.8	34.8	304.0	11.4
Funds and administered trust funds	412.3	12.3	459.8	11.5	500.4	8.8	655.8	28.9	674.4	3
UNFPA b/	187.1	(13.6)	134.1	(28.3)	313.6	133.9	312.5	(0.4)	272.9	(12.7)
UNICEF	817.9	26.8	885.0	8.2	1 011.9	14.3	1043.9	3.2	1208	15.7
WFP c/	1 429.6	15.5	1 158.3	(19.0)	1 776.4	53.4	1592.2	(10.4)	3275.3	105.7
World Bank Group d/	772.2	38	681.1	(11.8)	-	-	-	-	374.5	-
World Bank	280.5	(0.8)	211.8	(24.5)	-	-	-	-	156.1	-
IDA	345	150.9	305.4	(11.5)	-	-	-	-	218.4	-
Other Sources	146.7	5.3	163.9	11.7	-	-	-	-	-	-
Total (expenditures) excluding the World Bank Group	6 004.0	5.8	6 118.0	1.9	7 165.3	17.1	7338.3	2.4	9668.1	31.7
B. Contributions										
Agencies - extrabudgetary	1 500.6	15.7	1 792.1	19.4	1 984.5	10.7	1952.1	(1.6)	2577.2	32
Total bilateral	1 261.9	45.2	1 471.1	16.6	1 567.2	6.5	1375.7	(12.2)	1806.4	31.3
Countries/territories	875.3	54.2	1 066.0	21.8	1 115.7	4.7	1075.4	(3.6)	1384	28.7
NGOs	168.1	35.0	208.6	24.1	189.2	(9.3)	99.3	(47.5)	188.7	90
Unilateral self-supporting	218.5	23.6	196.5	(10.1)	262.2	33.5	201.1	(23.3)	233.7	16.2
Total multilateral	238.7	(44.2)	321.0	34.5	417.3	30.0	576.4	38.1	770.8	33.7
United Nations system	139.8	(62.1)	237.0	69.5	298.8	26.1	411.4	37.7	549.4	33.5
Non-United Nations system	98.9	67.6	84.0	(15.1)	118.5	41.0	165.0	39.2	221.4	34.2
UNDP (voluntary)	681.4	(8.6)	634.1	(6.9)	651.8	2.8	663.1	1.7	762.4	15
UNFPA (voluntary)	244.1	(9.1)	255.8	4.8	349.1	36.5	312.0	(10.6)	334.6	7.2
UNICEF (voluntary) e/	675.7	14.1	718.6	6.3	769.4	7.1	884.5	15.0	1099.8	24.3
WFP (voluntary) c/	1 380.2	32.9	1 256.7	(8.9)	1 501.1	19.4	1622	8.06	2471.2	52.4

a/ Represents percentage increase over previous year's figure.

b/ The figure for UNFPA-2000 did not include programme expenditures funded by other resources. For UNFPA-2001, UNFPA reported programme expenditures funded by regular as well as other resources.

c/ WFP submitted revised expenditure and contributions data for 1996, 1997, 1998, 1999, 2000 and 2001 and revised contributions data for 2002.

d/ After a two-year lapse. World Bank submitted 2003 data.

e/ UNICEF submitted revised contributions data for 1996, 1997, 1998 and 1999.

Note: Contribution data refer to voluntary contributions to regular resources from Member States. Voluntary contributions comprise only one element of total income. In the case of UNDP, the other elements are cost-sharing, funds and trust funds, government cash counterpart contributions, contributions to local office costs, extrabudgetary activities and management services agreements. In the case of UNICEF, other elements of income include various private sources, inter-organizational arrangements and miscellaneous.